Alberta

Freedom To Create. Spirit To Achieve.

Executive Council

Annual Report
2010-2011

Government of Alberta

Executive Council

Annual Report
2010-2011

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

The annual report of the Government of Alberta released June 29, 2011, contains Ministers' accountability statements, the consolidated financial statements of the Province and the *Measuring Up* report, which compares actual performance results to desired results set out in the government's business plan.

- This annual report of the Ministry of Executive Council contains the Minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan.

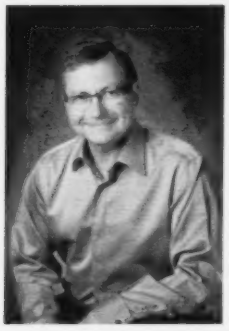
Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2011, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at June 14, 2011, with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

original signed by

Ed Stelmach
Premier

Message from the Minister



In the 2010-11 fiscal year, the government continued to steer a steady course for Alberta in the face of on-going global economic uncertainty – taking prudent steps to weather the storm.

Executive Council played a leadership role in implementing the government's vision for the province, as we worked to strike the right balance with fiscal discipline, investments in infrastructure, and protecting health care and other priority programs.

The economic downturn reinforced Alberta's need to take steps to strengthen the province's economy. The Premier's Council for Economic Strategy consulted with Albertans and experts around the world on steps we can take now to ensure success for Alberta three to four decades down the road. The council has now completed its work and the final report, *Shaping Alberta's Future*, has been released. But, the work is certainly not complete. The report belongs to all Albertans, and it calls upon them to provide their insight, through comment and debate, on how best to guide our province to continued future prosperity.

2010-11 saw many other successes for Executive Council, including the continued enhancement of a corporate, cross-ministry approach to policy development.

Further development of the many tools government uses to communicate with Albertans also took place in 2010-11, as we gained a larger presence in the world of social media and used other non-traditional tools, such as the *Your Alberta Online* webcasts.

Executive Council also continued its work promoting our province while preserving and enhancing our global reputation on responsible energy development through campaigns such as *Tell It Like It Is*.

Executive Council staff members have shown incredible dedication to their work on behalf of Albertans. I know they will continue to play a vital role in building a better Alberta for the future.

original signed by

Ed Stelmach
Premier

Management's Responsibility for Reporting

The Ministry of Executive Council includes the department of Executive Council.

The executives of the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Premier, President of Executive Council. Under the direction of the Premier, I oversee the preparation of the Ministry's annual report, including financial statements and performance results. The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliability – Information agrees with the underlying data and the sources used to prepare it.
- Understandability and Comparability – Current results are presented clearly in accordance with the stated methodology and are comparable with previous results.
- Completeness – Performance measures and targets match those included in Budget 2010.

As Deputy Minister, in addition to program responsibilities, I am responsible for the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under Ministry administration;
- provide Executive Council, Treasury Board, the Minister of Finance and Enterprise and the Premier any information needed to fulfill their responsibilities; and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the Ministry.

original signed by

Brian Manning
Deputy Minister of Executive Council
June 14, 2011

Results Analysis

Ministry Overview

The Ministry of Executive Council includes the following areas:

Office of the Premier
- provides planning, communications and administrative support to the Premier's offices in Edmonton and Calgary

Deputy Minister's Office
- provides advice and support to the Premier on policy and organizational issues
- provides leadership to the Alberta Public Service

Cabinet Coordination Office
- provides organizational and administrative support and advice to Cabinet and its key committees

Policy Coordination Office
- supports long-term strategic planning and policy coordination for government
- promotes cross-ministry coordination in the development and implementation of strategic priorities
- provides leadership and coordination for the policy excellence initiative to build policy capacity across government

Premier's Council for Economic Strategy
- develops ideas to ensure Alberta's continued prosperity and quality of life over the next three decades in collaboration with government, experts, Albertans and others beyond Alberta

Protocol Office
- plans and coordinates international visits and provincial government ceremonial events
- manages Government House operations

Alberta Order of Excellence
- supports the Alberta Order of Excellence Council, which reviews public nominations and selects individuals to receive the province's highest honour

Office of the Lieutenant Governor
- provides planning, communications and administrative support to the Lieutenant Governor

Public Affairs Bureau
- advances government communications with Albertans, develops communications for government's long-term strategic plans and priority initiatives, and supports internal government communications
- manages the Government of Alberta website and use of social media, provides technical support for government news conferences and distributes government news releases, coordinates government advertising, research and the corporate identity program
- promotes the province of Alberta as a destination of choice for immigration, investment, tourism and employment

AUDITOR GENERAL *Alberta*

Review Engagement Report

To the Members of the Legislative Assembly

I have reviewed the performance measures identified as "Reviewed by Auditor General" in the *Ministry of Executive Council's 2010–11 Annual Report*. These performance measures are the responsibility of the Ministry and are prepared based on the following criteria:

- Reliability—Information agrees with the underlying data and with sources used to prepare it.
- Understandability and Comparability—Current results are presented clearly in accordance with the stated methodology and are comparable with previous results.
- Completeness—Performance measures and targets match those included in Budget 2010.

My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to my Office by the Ministry. My review was not designed to provide assurance on the relevance of these performance measures.

A review does not constitute an audit and, consequently, I do not express an audit opinion on the performance measures.

Based on my review, nothing has come to my attention that causes me to believe that the "Reviewed by Auditor General" performance measures in the Ministry's 2010–11 Annual Report are not, in all material respects, presented in accordance with the criteria of reliability, understandability, comparability, and completeness as described above. However, my review was not designed to provide assurance on the relevance of these performance measures.

Original signed by

Merwan N. Saher, CA
Auditor General

May 4, 2011

Edmonton, Alberta

Performance Measures Summary Table

Core Businesses/Goals/Performance Measure(s)		Prior Years' Results				Target	Current Actual
Core Business One: Support strategic planning, policy development and decision-making for the Government of Alberta							
1.	**Government policy and planning are coordinated and effective**						
1.a	Satisfaction of Policy Coordination Office Clients with Products and Services	N/A 2006-07	85% 2007-08	85% 2008-09	81% 2009-10	**85%**	93% 2010-11
Core Business Two: Help government ministries communicate with Albertans							
2.	**Government communications is coordinated and effective**						
2.a	Public Satisfaction with Government Communications	63% 2006-07	64% 2007-08	62% 2008-09	64% 2009-10	**71%**	62% 2010-11
2.b*	Public Satisfaction with Government of Alberta Home Page	88% 2006-07	85% 2007-08	84% 2008-09	84% 2009-10	**90%**	85% 2010-11
2.c*	Government Client Satisfaction with Communications Support and Services	88% 2006-07	89% 2007-08	90% 2008-09	94% 2009-10	**95%**	93% 2010-11
Core Business Three: Tell the story of Alberta within the province and around the world							
3.	**The new Alberta Brand will be recognized and accepted within the province, nationally and internationally**						
3.a	Brand familiarity (Albertans)						74%
	Brand Familiarity (non-Albertans)						33%
	(new measure for 2010-11)						2010-11

* **Indicates Performance Measures that have been reviewed by the Office of the Auditor General**

The performance measures indicated with an asterisks were selected for review by ministry management based on the following criteria established by government:

1. Enduring measures that best represent the goal and mandated initiatives
2. Measures for which new data is available
3. Measures that have well established methodology

Data Sources and Methodology

1a. Satisfaction of Policy Coordination Office Clients with Products and Services
From February 16 to March 9, 2011, a census survey was conducted of clients of the Policy Coordination Office. A total of 140 clients, which included Executive Team members from each Ministry and selected other Ministry staff that have direct contact with the Policy Coordination Office were invited to participate in the web-based survey. 62 clients responded, for an overall participation rate of 45%. Respondents were asked to rate how satisfied they were with the products or services they had received over the past year by choosing from "very satisfied", "somewhat satisfied", "somewhat dissatisfied" or "very dissatisfied". Results represent the total of "very" and "somewhat satisfied" responses.

2a. Public Satisfaction with Government Communications
2010-11 results reflect telephone interviews with 1,012 adult Albertans conducted from January 20 – 31, 2011, by a professional research firm. Respondents were randomly selected from across the province. Respondents were first asked whether they heard or received any information about provincial government activities or programs. Those who answered "yes" were then asked to choose from "very satisfied", "somewhat satisfied", "somewhat dissatisfied" or "very dissatisfied". Figures shown reflect the averaged results of multiple questions. "No" response replies are not included in the calculation of results. A sample of this size within the given population produces results that are reliable to within plus or minus 4.4%. Results represent the total of "very" and "generally satisfied" responses.

2b. Public Satisfaction with Government of Alberta Home Page
2010-11 results reflect telephone interviews with 1,012 adult Albertans conducted from January 20 -31, 2011, by a professional research firm. Respondents were randomly selected from across the province. Respondents were first asked whether they had visited the Alberta government website in the past year. The 558 who answered "yes" were then asked how useful they found the first page in helping them to locate the information they needed by choosing from "very useful", "somewhat useful", "not very useful" or "not at all useful". "No" response replies are not included in the calculation of results. The approximate margin of error on the sample of 558 is plus or minus 4.2% at the 95% confidence level. Results represent the total of "very" and "somewhat useful" responses.

2c. Government Client Satisfaction with Communications Support and Services
The 2010-11 survey was conducted by a professional research company. Communications directors were asked to provide a list of all clients within their departments at the management level. 1,194 department staff were contacted via e-mail and provided with a link to a web address that allowed them to complete their surveys online. The survey was conducted from January 24 to February 11, 2011. Responses were received from 772 clients. Respondents were asked to rate how satisfied they were with the specific services they had received over the past year by choosing from "very satisfied", "generally satisfied", "generally dissatisfied" or "very dissatisfied". Figures shown reflect the averaged results of multiple questions. "No" response replies are not included in the calculation of results. Results represent the total of "very" and "generally satisfied" responses.

3a. Brand Familiarity (Albertans and non-Albertans)
The 2010-11 results reflect an intercept survey conducted by a professional research company at three international sporting events in Calgary and Canmore in February and March, 2011. The questions were administered to 199 Albertans and 132 non-Albertans attending the events. Respondents were asked to rate their level of familiarity with the Alberta logo by choosing from "very familiar", "somewhat familiar", "not very familiar" or "not at all familiar". Results represent the total of "very" and "somewhat" familiar responses.

Discussion and Analysis of Results

GOAL 1 Linked to Core Business 1 – Support strategic planning, policy development and decision making for the Government of Alberta

Government policy and planning are coordinated and effective.

In 2010-11, the Policy Coordination Office (PCO) supported the identification, implementation and tracking of government priorities and reported on progress. PCO staff provided advice on strategic options and promoted a corporate, cross-ministry integrated approach to policy development that is aligned with government priorities. PCO also supported annual strategic planning and co-led development of the Government of Alberta Strategic Plan. PCO also supported the ongoing delivery of a policy excellence initiative to strengthen policy capacity in the public service.

The 12-member Premier's Council for Economic Strategy continued its work developing strategies to ensure a high quality of life for Albertans and that Alberta is the best place to live, work, visit and invest. The council held three days of meetings in August of 2010 and March of 2011, in addition to videoconference meetings. In June 2010, the council published a discussion paper on its web page to encourage Albertans to contribute ideas about Alberta's future. More than 50 submissions were received. The council also spoke with Albertans living abroad, in the United States and the United Kingdom.

In May 2011, the council released its final report, *Shaping Alberta's Future*, with recommendations that focus on the province's long-term prosperity by realizing the full potential of Alberta's energy resources and broadening its economic base. The report also calls on all Albertans to consider their roles to ensure future success.

GOAL 2 Linked to Core Business 2 – Help government ministries communicate with Albertans

Government communications is coordinated and effective.

In 2010-11, Public Affairs Bureau staff continued to support cross-ministry initiatives under the energy and environment portfolios, along with specific campaigns such as Safe Communities, Distracted Driving and the Land-use Framework, by providing coordination and counsel on resources and media channels to best reach target audiences. Staff provided support for priority government initiatives like the Premier's Council for Economic Strategy, including providing communications strategies and tools for an event inviting youth to share their visions of Alberta's future.

Staff also continued implementation of a social media policy and refocused efforts to find the most appropriate media channels to reach intended audiences. Efforts included promoting the use of more non-traditional media such as search engine marketing and the use of social media networks like YouTube, Twitter and Facebook to connect with audiences in ways that they prefer. Direct communications with Albertans also took place through vehicles like the *Your Alberta Online* videos and *Your Alberta* e-news.

In 2010-11, communications staff continued to supply training and support materials to Government of Alberta staff in the areas of visual identity, brand and advertising. Services and products provided include daily consultation of brand, advertising and visual identity applications, the development of the cross-ministry graphic designers committee, quick-start reference guides for

brand and Government of Alberta identity as well as continued updates for the visual identity program, brand initiative and advertising services.

Efforts to implement a staff succession strategy and enhance communications capacity were also continued in 2010-11. A leadership program was developed to provide ongoing mentorship and learning opportunity for prospective future leaders.

The Public Affairs Bureau spearheaded communications with government employees through the Connector e-newsletter, which is distributed once a month.

GOAL 3 Linked to Core Business 3 – Tell the story of Alberta within the province and around the world.

The new Alberta brand will be recognized and accepted within the province, nationally and internationally.

The Public Affairs Bureau built a strong suite of communications materials employing the Alberta brand to promote Alberta as the best place to live, work, play and invest. An example is the *Tell It Like It Is* campaign responding to negative tourism billboards related to oil sands activities. Materials produced for this campaign continue to be used to support those telling Alberta's story at home and abroad.

Ministry Expense by Function

(in $000)	2010-11 Budget	2010-11 Actual	2009-10 Actual
General Government	31,066	29,337	27,970

Financial Information

Independent Auditor's Report

To the Members of the Legislative Assembly

Report on the Financial Statements

I have audited the accompanying financial statements of the Ministry of Executive Council, which comprise the statement of financial position as at March 31, 2011, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ministry of Executive Council as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Original signed by

Merwan N. Saher, CA
Auditor General

June 7, 2011

Edmonton, Alberta

Financial Statements

March 31, 2011

Independent Auditor's Report

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Statement of Financial Position

Statement of Cash Flows

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Schedule of Budget

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Schedule of Salary and Benefits Disclosure

Schedule of Related Party Transactions

Schedule of Allocated Costs

Statement of Operations

Year ended March 31, 2011

	2011		2010
	Budget (Schedule 2)	Actual	Actual Restated (Note 3)
		(in thousands)	
Revenues			
Other Revenue	$ -	$ 6	$ 19
Expenses - Directly Incurred (Note 2(b) and Schedule 6)			
Voted (Schedules 1 and 3)			
Office of the Premier/Executive Council	9,752	9,699	9,665
Public Affairs	14,314	14,140	14,511
Branding Initiative	7,000	5,451	3,719
	31,066	29,290	27,895
Statutory (Schedules 1 and 3)			
Valuation Adjustments			
Provision for Vacation Pay	-	47	75
	31,066	29,337	27,970
Net Operating Results	$ (31,066)	$ (29,331)	$ (27,951)

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

As at March 31, 2011

	2011	2010 Restated (Note 3)
	(in thousands)	
Assets		
Cash and Cash Equivalents	$ 14	$ 10
Accounts Receivable	7	60
Advances	1	1
	$ 22	$ 71
Liabilities		
Accounts Payable and Accrued Liabilities	$ 4,772	$ 4,245
	4,772	4,245
Net Liabilities		
Net Liabilities at Beginning of Year	(4,174)	(5,970)
Net Operating Results	(29,331)	(27,951)
Net Financing Provided from General Revenues	28,755	29,747
Net Liabilities at End of Year	(4,750)	(4,174)
	$ 22	$ 71

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

Year ended March 31, 2011

	2011	2010 Restated (Note 3)
	(in thousands)	
Operating Transactions		
Net Operating Results	$ (29,331)	$ (27,951)
Non-cash items included in Net Operating Results		
Valuation Adjustments	47	75
	(29,284)	(27,876)
Decrease (Increase) in Accounts Receivable and Advances	53	(54)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	480	(1,822)
Cash Applied to Operating Transactions	(28,751)	(29,752)
Financing Transactions		
Net Financing Provided from General Revenues	28,755	29,747
Cash Provided by Financing Transactions	28,755	29,747
Increase (Decrease) in Cash and Cash Equivalents	4	(5)
Cash and Cash Equivalents at Beginning of Year	10	15
Cash and Cash Equivalents at End of Year	$ 14	$ 10

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

NOTE 1 AUTHORITY

The Ministry of Executive Council operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Ministry of Executive Council. This entity consists of the activities of the Office of the Premier/Executive Council and Public Affairs Bureau.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance and Enterprise. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net Financing Provided from (for) General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- pension costs, which are the cost of employer contributions for current service employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Incurred by Others

Services contributed by other entities in support of the Ministry's operations are not recognized and are disclosed in Schedule 5 and allocated to programs in Schedule 6.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. The threshold for capitalizing new systems development is $250,000 and the threshold for major systems enhancements is $100,000. The threshold for all other tangible capital assets is $5,000. All land is capitalized. The Ministry has no tangible capital assets that meet these thresholds.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Liabilities

Net liabilities represents the difference between the carrying value of assets held by the Ministry and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

NOTE 3 PROGRAM TRANSFER
(in thousands)

Effective April 1, 2010, the responsibility for the Agency Governance Secretariat was transferred from the Ministry to the Ministry of Treasury Board. Comparatives for 2010 have been restated as if the Ministry had always been assigned with its current responsibilities.

Net Liabilities as previously reported at March 31, 2010	$ (4,235)
Transfer to the Ministry of Treasury Board	61
Restated Net Liabilities at April 1, 2010	$ (4,174)

Net Operating Results, as previously reported at March 31, 2010	$ (28,538)
Expenses transferred to the Ministry of Treasury Board	587
Restated Net Operating Results at April 1, 2010	$ (27,951)

NOTE 4 CONTRACTUAL OBLIGATIONS
(in thousands)

Contractual obligations are obligations of the Ministry to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2011	2010
Obligations under contracts	$ 21	$ 252

The aggregate amounts payable for the unexpired terms of these contractual obligations will be fulfilled in 2011-12.

NOTE 5 CONTINGENT LIABILITIES
(in thousands)

At March 31, 2011 the Ministry was a not a defendant in any legal claims (2010 - no legal claims).

NOTE 6 BENEFIT PLANS
(in thousands)

The Ministry participates in the multi-employer Management Employees Pension Plan and Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $2,552 for the year ended March 31, 2011 (2010 – $2,589).

At December 31, 2010, the Management Employees Pension Plan reported a deficiency of $397,087 (2009 – deficiency $483,199) and the Public Service Pension Plan reported a deficiency of $2,067,151 (2009 – deficiency $1,729,196). At December 31, 2010, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $39,559 (2009 – deficiency $39,516).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2011, the Bargaining Unit Plan reported an actuarial deficiency of $4,141 (2010 – deficiency $8,335) and the Management, Opted Out and Excluded Plan an actuarial surplus of $7,020 (2010 – surplus $7,431). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 7 COMPARATIVE FIGURES

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

NOTE 8 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Schedule to the Financial Statements Schedule 1

Expenses - Directly Incurred Detailed by Object

Year ended March 31, 2011

	2011		2010
	Budget	Actual	Actual Restated (Note 3)
		(in thousands)	
Voted			
Salaries, Wages and Employee Benefits	$ 21,405	$ 21,248	$ 21,860
Supplies and Services	9,490	7,871	5,843
Financial Transactions and Other	171	171	192
	$ 31,066	$ 29,290	$ 27,895
Statutory			
Valuation Adjustments			
Provision for Vacation Pay	$ -	$ 47	$ 75

Budget

Year ended March 31, 2011

	2010-11 Estimates	Authorized Supplementary	2010-11 Authorized Budget
		(in thousands)	
Revenues			
Other Revenue	$ -	$ -	$ -
Expenses - Directly Incurred			
Voted Expenses			
Office of the Premier/Executive Council	9,752	-	9,752
Public Affairs	14,314	-	14,314
Branding Initiative	7,000	-	7,000
	31,066	-	31,066
Statutory Expenses			
Valuation Adjustments			
Provision for Vacation Pay	-	-	-
Total Expenses	31,066	-	31,066
Net Operating Results	$ (31,066)	$ -	$ (31,066)

Comparison of Expenses - Directly Incurred and Statutory Expenses by Element to Authorized Budget

Year ended March 31, 2011

	2010-2011 Estimates	Authorized Supplementary	2010-2011 Authorized Budget	2010-2011 Actual	Unexpended (Over Expended)
			(in thousands)		
Voted Expenses					
Office of the Premier/Executive Council					
1.0.1 Office of the Premier/Executive Council	$ 9,259	$ -	$ 9,259	$ 9,199	$ 60
1.0.2 Office of the Lieutenant Governor	493	-	493	500	(7)
	9,752	-	9,752	9,699	53
Public Affairs					
2.0.1 Corporate Services	1,625	-	1,625	1,621	4
2.0.2 Corporate Communications	10,517	-	10,517	10,718	(201)
2.0.3 Communications Support Services	2,172	-	2,172	1,801	371
	14,314	-	14,314	14,140	174
Branding Initiative					
3.0.1 Branding Initiative	7,000	-	7,000	5,451	1,549
	7,000	-	7,000	5,451	1,549
Total Voted Expenses	$ 31,066	$ -	$ 31,066	$ 29,290	$ 1,776
Statutory Expenses					
Valuation Adjustments	$ -	$ -	$ -	$ 47	$ (47)

Salary and Benefits Disclosure

Year ended March 31, 2011

	2011				2010
	Base Salary (1)	Other Cash Benefits (2)	Other Non-cash Benefits (3)	Total	Total
Senior Officials					
Deputy Minister (4)	$297,648	$ 8,528	$ 71,477	$ 377,653	$403,617
Chief of Staff (5)	228,301	1,750	54,556	284,607	304,123
Deputy Secretary to Cabinet (4)	187,502	2,486	46,594	236,582	229,626
Deputy Chief of Staff (6)	138,510	40,206	7,395	186,111	176,960
Deputy Minister, Premier's Council for Economic Strategy (5)	264,576	1,750	59,582	325,908	322,742
Executive Director, Southern Alberta Office	176,352	19,889	43,110	239,351	225,585
Director of Communications	152,000	9,750	36,519	198,269	232,941
Deputy Chief, Policy Coordination (5)	212,784	13,979	51,639	278,402	252,588
Managing Director, Public Affairs Bureau (4)	240,724	39,415	7,865	288,004	238,291
Executives					
Office of the Premier/Executive Council:					
Chief of Protocol	151,836	1,750	8,204	161,790	160,661
Public Affairs:					
Executive Director, Strategic Communications	151,836	1,750	36,250	189,836	192,876
Executive Director, Corporate Communications (7)	109,950	1,750	27,170	138,870	14,666
Executive Director, Communications Support Services (8)	30,647	279	7,404	38,330	177,362
Executive Director, Corporate Services	157,152	1,750	6,083	164,985	180,806

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base salary includes regular base pay.
(2) Other cash benefits include vacation payouts; lump sum payments; and payments in lieu of vehicles and pension. There were no bonuses paid in 2011.
(3) Other non-cash benefits include the government's share of all employee benefits and contribution or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.
(4) Automobile provided for partial year, no dollar amount included in other non-cash benefits.
(5) Automobile provided for full year, no dollar amount included in other non-cash benefits.
(6) This position was occupied by two individuals during the year. The first from April 1, 2010 to October 22, 2010 and the second from November 1, 2010 to March 31, 2011.
(7) This position was occupied from July 12, 2010 to March 31, 2011. Amount shown for 2010 was for the period April 1 to 27, 2009.
(8) The Executive Director retired June 17, 2010. This position was discontinued.

Related Party Transactions
(in thousands)

Year ended March 31, 2011

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for premiums, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2011	2010
Expenses - Directly Incurred		
Other Services	$ 111	$ 105
Receivable from Other Government Departments	$ 2	$ 5

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 6.

	Other Entities	
	2011	2010 Restated (Note 3)
Expenses - Incurred by Others		
Accommodation (a)	$ 1,518	$ 421
Business Services	803	532
Legal Services	29	56
Air Transportation	857	635
	$ 3,207	$ 1,644

(a) The calculated accommodation costs have been revised in the current year to assign all costs to the Ministry. Previously, space allocated in the Legislature Building, Legislature Annex, Government House and McDougall Centre buildings was reported under the Department of Infrastructure. 2010 figures have not been restated.

Allocated Costs

Year ended March 31, 2011
(in thousands)

Program	2011							2010
	Expenses - Incurred by Others					Valuation Adjustments		
	Expenses [1]	Accommodation Costs [2]	Business Services [3]	Legal Services [4]	Air Transportation [5]	Vacation Pay and Banked Overtime [6]	Total Expenses	Total Expenses Restated (Note 3)
Office of the Premier/Executive Council	$ 9,699	1,112	6	$ 4	$ 712	$ (11)	$ 11,522	$ 10,408
Public Affairs Bureau	14,140	406	797	25	-	58	15,426	15,463
Branding Initiative	5,451	-	-	-	-	-	5,451	3,743
Other Allocations	-	-	-	-	145	-	145	-
	$ 29,290	$ 1,518	$ 803	$ 29	$ 857	$ 47	$ 32,544	$ 29,614

(1) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.
(2) Costs shown for Accommodation on Schedule 5, allocated by square footage.
(3) Business Services on Schedule 5, includes financial, administrative, technology services and executive vehicle services allocated by estimated costs incurred in each program.
(4) Costs for Legal Services on Schedule 5, allocated by estimated costs incurred by each program.
(5) The Department of Treasury Board provides a summary of Air Transportation costs as shown on Schedule 5. "Other Allocations" includes air travel that has not been specifically allocated to individual ministries.
(6) Valuation adjustments as per Statement of Operations. Vacation Pay and Banked Overtime Pay are allocated to the program by employee.

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